

## Powering Outreach to the Poor: Standard Chartered India extends \$10 million to Indian MFI, Bandhan

In the Indian state of West Bengal, microfinance is scaling new heights. Bandhan, an Indian Microfinance Institution (MFI) who Standard Chartered Bank have a partnership with, began operations in this state with one branch six years ago. Now however Bandhan's presence spans 8 states, 528 branches, over a million clients and over a \$100 million in outstanding loans.

In September this year, We signed a new agreement with Bandhan, taking our exposure to \$12.82 million. With an average loan size of \$180 on disbursement, this new agreement will power Bandhan's outreach to an additional 71,000 clients who live in some of the poorest regions of the country. Registered as a Society, Bandhan offers a range of products to its clients including micro loans, enterprise loans and loans for health and education. This year, Bandhan won the Skoch Challenger Award for Financial Inclusion. Bandhan also has a dedicated programme for the ultra poor funded out of the prize money awarded at CGAP's Pro Poor Innovation Challenge.

In the past, Standard Chartered has financed both Bandhan's group and individual lending programmes, at a time when the individual lending portfolio was still in its infancy. A dedicated line of funding was provided to Bandhan to scale up its portfolio of larger size individual loans. These loans, often perceived as "high risk" allowed the organization to grow with its client's needs and enabled clients to move from subsistence activities to entrepreneurship activities that could generate wealth and move them out of poverty.

"We are delighted to strengthen our partnership with Standard Chartered", remarked Bandhan's Founder and CEO, Mr. Chandra Shekhar Ghosh. "They supported us in our early stages of growth particularly on facilities for our nascent individual lending product. They also bring some really innovative sector level ideas to the table, like their Corporate Governance programme for example, which we attended last year".

Standard Chartered has had an active microfinance portfolio in India for the past three years. Our partners include a mix of established intermediaries, urban start ups and downscalers. Given the rapid growth of the microfinance sector in India, the Bank has developed two core areas of focus for supporting MFIs as they scale up their operations. These include: instituting high standards of governance and linking MFIs to the capital markets.

In April this year, Standard Chartered and ACCION International co hosted "Microfinance – Cracking the Capital Markets – South Asia", a two day conference in New Delhi, focused on linking MFIs with the investment community. In November last year, Standard Chartered in India hosted the first of its kind workshop on corporate governance for Microfinance Institutions. Titled, 'The Role of Corporate Governance in Managing Growth', this one and a half day workshop, brought together the CEOs and Managing Directors of the top MFIs in India, with the objective of building a multi-stakeholder perspective on corporate governance and enhancing the adaptability of MFIs to their new governance framework.

To learn more about our partner Bandhan please click here: [www.bandhanmf.com](http://www.bandhanmf.com)

To learn more about our work in microfinance please click here:  
<http://www.standardchartered.com/sustainability/access-to-financial-services/microfinance/en/index.html>